

BATES AND LACON.

[To accompany bill H. R. No. 20.]

FEBRUARY 29, 1840.

Mr. BIDDLE, from the Committee of Ways and Means, made the following

REPORT:

*The Committee of Ways and Means, to whom was referred the petition of Lewis H. Bates and William Lacon, report :*

The petitioners were manufacturers and dealers in iron, in the State of Connecticut, and, about the year 1829, extended their business by establishing a branch of their firm in Liverpool, in England, where they entered largely into the manufacture of wheel-tire, palisading, and other manufactures of iron, for the purpose of importing them into the United States; that they were induced to set up this establishment, and make these importations, in consequence of the construction universally given to the then existing laws imposing duties upon imports, and sanctioned by the construction given to those laws by the First Comptroller of the Treasury, in two letters to the petitioners, copies of which are annexed, marked A and B, viz: that articles such as were subsequently imported by the petitioners were subject to an ad valorem duty of 25 per cent. as manufactures of iron, and not to the duty, as upon bar-iron, of \$37 per ton.

It appears that, relying upon this construction, generally given to the law, but especially upon having this construction confirmed by the Comptroller, in his letters to the petitioners, (and which construction has since been adopted by the courts and juries,) they imported into New York several cargoes or invoices of iron, and entered them as manufactures of iron, and gave bond for the duties accordingly; that afterwards, upon further importations, the custom-house officers at New York, acting under instructions (as it is understood) from the Treasury, which had adopted a new construction of the law, insisted that the same should be entered as subject to the specific duty of \$37 per ton, instead of the duty of 25 per cent. ad valorem, as before; and, moreover, that, for those importations for which bonds had already been given, such further sum should be paid as would raise the duty thereon to a sum equal to the specific duty of \$37 per ton.

The petitioners resisted these demands of the custom-house officers, and in some cases they were sued upon their bonds for this additional duty, and in others they paid such additional sum demanded, but always under protest against the right of the collector to exact it. Other invoices or shipments, which had been previously ordered, arrived. The petitioners offered to enter them as *manufactures* of iron, and refused to enter them

otherwise ; in consequence of which, seizures were made, and proceedings instituted for a decree of forfeiture. The petitioners instituted a suit against the collector for recovering back the money they had been compelled to pay beyond the amount of 25 per cent. ad valorem, and also an action of trespass for seizing the goods. This last action was tried, (the first being, by agreement, continued, to await the decision in the action of trespass.) The jury found for the petitioners, upon the ground that the iron imported was manufacture of iron, within the meaning of the act, and subject only to the duty of 25 per cent. ad valorem : and it is understood that the court confirmed the decision of the jury. All the suits were then dismissed, the goods which remained were delivered up to the petitioners, and the collector refunded to them the additional duties he had received. But their business had been wholly broken up ; they had incurred very great expenses in counsel fees, and other charges of litigation, for which they ask to be indemnified by Congress. They claim to be reimbursed :

1st. For the law charges and expenses necessarily incurred and paid by the petitioners.

2d. Other expenses necessarily incurred in their endeavors to procure a release of the property, and not strictly chargeable as law expenses—such as the personal care, time, and attention, and travelling expenses of petitioners, amounting to many thousand dollars.

3d. For expenses incurred and paid by the petitioners for storage of their goods while detained under seizure.

4th. For the loss they sustained, in the nature of interest, from the time their money and goods were wrongfully detained, until they were restored.

Your committee are of opinion that the petitioners are entitled to relief, and ought to be indemnified for the expenses incurred and losses sustained, as stated under the two last-mentioned heads of claim, and for regular taxed costs paid by them, and not reimbursed, and report a bill accordingly.

### A.

TREASURY DEPARTMENT,  
*Comptroller's Office, April 14, 1829.*

SIR : Your letter of the 6th instant is received. I am of opinion that wrought iron for palisading, ornamented with tops of different patterns, and others with plain and sharp tops, some round and some square, ready to be used in the state in which they are imported, as well as sheet-iron stove-pipes, from three to six inches in diameter, are liable to a duty as "manufactures of iron."

Respectfully,

JOSEPH ANDERSON.

Mr. WM. LACON,  
*Stamford, Connecticut.*

B.

TREASURY DEPARTMENT,

*Comptroller's Office, March 22, 1830.*

SIR: In reply to your letter of the 6th instant, I have to state that *iron hoops or rings for cart and wagon wheels*, complete for wagonmakers, and ready for coopers' use, for all kinds of casks, are considered to be manufactures of iron, within the meaning of the law, and, accordingly, are liable to an ad valorem duty of 25 per cent. I deem it proper to add, that, by iron hoops and rings for cart and wagon wheels, you are understood as meaning cart and wagon tires, with the requisite holes in them, ready for being put on the wood, in the state in which they are imported.

Respectfully,

JOSEPH ANDERSON.

Mr. WM. LACON

